

**CHIEF ALBERT LUTHULI MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2011

**General information**

**Members of the Council**

Mayor Councillor BP Shiba	Executive Mayor
Councillor Nkosi SM	Speaker
Councillor DP Nkosi	Chief Whip
Councillor Mnisi NM	Member of Mayoral Committee
Councillor Mngomezulu MW	Member of Mayoral Committee
Councillor Thabethe QG	Member of Mayoral Committee
Councillor SJ Nkosi	Member
Councillor SD Mbuyane	Member
Councillor AD Nkosi	Member
Councillor BM Masuku	Member
Councillor SI Malaza	Member
Councillor SZ Nkosi	Member
Councillor JS Mbhele	Member
Councillor GJ Nkosi	Member
Councillor KC Mathuywa	Member
Councillor NG Thomo	Member
Councillor NI Mdhluli	Member
Councillor JA Simelani	Member
Councillor A Ngubeni	Member
Councillor JF Ntuli	Member
Councillor ZF Mkhwanazi	Member
Councillor FS Mdluli	Member
Councillor TW Motha	Member
Councillor RG Vilakazi	Member
Councillor EB Mkhabela	Member
Councillor MJ Nkosi	Member
Councillor J Vilakazi	Member
Councillor EJ Lubede	Member
Councillor JP Soko	Member
Councillor VS Shabangu	Member
Councillor VL Nkosi	Member
Councillor PP Mhlanga	Member
Councillor JS Nkosi	Member
Councillor JN Nkabinde	Member
Councillor NM Nkosi	Member
Councillor NR Cindi	Member
Councillor KM Mazibuko	Member
Councillor ML Steenkamp	Member
Councillor NB Sikhakhane	Member
Councillor NV Makhubelo	Member
Councillor ZM Dludlu	Member
Councillor TJ Motha	Member
Councillor N Mnisi	Member
Councillor J Makene	Member
Councillor ST Malaza	Member
Councillor VV Vilakazi	Member
Councillor MH Nkosi	Member
Councillor TE Zwane	Member
Councillor HJ McGinn	Member

**Acting Municipal Manager**

V.N Mpila

**Acting Chief Financial Officer**

P.J. Nhlabathi

**Grading of Local Authority**

Medium

**Auditors**

Auditor-General

**Bankers**

Standard Bank of South Africa Ltd

**CHIEF ALBERT LUTHULI MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2011

**General information (continued)**

**Registered Office:** Carolina

**Physical address:**  
28 Kerk Street  
Carolina  
Mpumalanga

**Postal address:**  
Private Bag X719  
Carolina  
1185

**Telephone number:** (017) 843 4000

**Fax number:** (017) 843 4001

**E-mail address:** [mm@albertluthuli.gov.za](mailto:mm@albertluthuli.gov.za)

**CHIEF ALBERT LUTHULI MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 June 2011

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 until Appendix D, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

V.N Mpila  
**Acting Municipal Manager**

DATE:

**CHIEF ALBERT LUTHULI MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 June 2011

<b>Index</b>	<b>Page</b>
General info	1
General info	2
Approval of Annual Financial	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Accounting Policies	8-17
Notes to the Annual Financial Statements	18-37
Appendix B: Analysis of Property, Plant and Equipment	38-41
Appendix D: Segmental Statement of Financial Performance	42

CHIEF ALBERT LUTHULI MUNICIPALITY

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Note	2011 R	2010 R
<b>ASSETS</b>			
<b>Current assets</b>		<b>101 149 470</b>	<b>102 507 444</b>
Cash and cash equivalents	1	42 389 578	46 886 181
Trade and other Receivables from Exchange Transaction	2	41 693 182	34 187 460
Trade and other Receivables from non Exchange-Transaction	3	8 282	4 592 635
Inventories	4	87 453	78 486
VAT receivable	8	16 970 975	16 762 682
<b>Non-current assets</b>		<b>507 003 201</b>	<b>503 837 337</b>
Property, plant and equipment	5	507 003 201	503 837 337
<b>Total assets</b>		<b>608 152 671</b>	<b>606 344 781</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>47 739 209</b>	<b>52 847 583</b>
Trade and other payables from exchange transactions	6	21 051 825	25 213 771
Consumer deposits	7	629 235	636 700
Current provisions	9	1 616 433	2 231 487
Bank overdraft	1	-	-
Unspent conditional grants and receipts	10	24 413 049	24 759 396
Finance lease liability	11	28 668	6 229
<b>Non-current liabilities</b>		<b>84 434</b>	<b>113 102</b>
Finance lease liability	11	84 434	113 102
<b>Total liabilities</b>		<b>47 823 643</b>	<b>52 960 685</b>
<b>Net assets</b>		<b>560 329 027</b>	<b>553 384 096</b>
<b>NET ASSETS</b>			
Reserves		45 939 589	45 646 583
Accumulated surplus / (deficit)		514 389 440	507 737 513
<b>Total liabilities / Equity</b>		<b>560 329 029</b>	<b>553 384 096</b>

**CHIEF ALBERT LUTHULI MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ending 30 June 2011

Note	2011 R	2010 R
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**Revenue**

Property rates	12	25 449 757	20 848 765
Service charges	13	20 771 094	22 119 054
Rental of facilities and equipment	14	496 773	501 260
Interest earned - external investments	15	3 017 002	4 217 462
Interest earned - outstanding receivables	16	14 337 670	16 089 361
Fines		168 292	110 270
Licences and permits		1 559 134	1 747 477
Operational grants and subsidies	17	132 313 590	111 951 646
Capital grants and subsidies	17.1	57 737 150	47 188 488
Other income	21	1 335 330	1 778 020

**Total revenue** **257 185 792** **226 551 803**

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**Expenses**

Employee related costs	22	71 311 810	62 786 490
Remuneration of councillors	23	10 903 226	9 006 912
Bad debts		29 867 652	7 969 597
Collection costs		-	-
Depreciation and amortisation expense	24	95 225 877	18 714 541
Repairs and maintenance		20 187 804	5 888 351
Finance costs	25	16 908	19 905
Bulk purchases	26	20 864 908	14 840 323
Contracted services	27	12 404 708	9 629 443
General expenses	28	61 764 793	47 004 691

**Total expenses** **322 547 687** **175 860 255**

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Gain / (loss) on sale of assets	-	-
(Impairment loss) / Reversal of impairment loss	-	-
Profit / (loss) on fair value adjustment	-	-
Inventories: (Write-down) / reversal of write-down to net realisable value	-	-

**Surplus / (deficit) for the period** **(65 361 895)** **50 691 547**

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**CHIEF ALBERT LUTHULI MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS**

as at 30 June 2011

	Note	Government Grant Funds & Reserves	Capital Replacement reserve	Mark to Market Reserve	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
		R	R	R	R	R	R
<b>Balance at 30 June 2009</b>							
Correction of prior period error		-	20 784 954	9 932	20 794 886	481 837 688	502 632 574
Government Grants		24 851 697			24 851 697	59 975	59 975
Other Adjustments		24 851 697	20 784 954	9 932	45 646 583	(24 851 697)	-
Fair Value of PPE							
Net gains and losses not recognised in the statement of financial performance							
Available for Sale Investment							
Transfers to / from accumulated surplus/(deficit)							
Surplus / (deficit) for the period						50 691 547	50 691 547
<b>Balance at 30 June 2010</b>							
Correction of prior period error (see note 31)		24 851 697	20 784 954	9 932	45 646 583	507 737 513	553 384 096
Government Grants			293 006		293 006	72 013 822	72 306 828
Surplus / (deficit) on revaluation of property of property, plant and equipment		-			-	-	-
Other Adjustments		24 851 697	21 077 960	9 932	45 939 589	579 751 335	625 690 924
Fair Value of PPE							
Net gains and losses not recognised in the statement of financial performance							
Net gains and losses not recognised in the statement of financial performance							
Available for Sale Investment							
Transfers to / from accumulated surplus/(deficit)							
Surplus / (deficit) for the period						(65 361 895)	(65 361 895)
<b>Balance at 30 June 2011</b>		24 851 697	21 077 960	9 932	45 939 589	514 389 440	560 329 029

















































































